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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 10/750,052
Filing Date: December 30, 2003
Appellant(s): GROVE ET AL.

Mark R. Vatuone
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 1/4/2008 appealing from the Office action (Pre Appeal Decision) mailed 12/4/2007 and Final action mailed 6/26/2007.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

| | | |
|---------------|---------------|---------|
| 20020161691A1 | NISHI | 10-2002 |
| 20010032175A1 | HOLDEN ET AL. | 10-2001 |
| 6,691,094 | HERSCHKORN | 2-2004 |

(9) Grounds of Rejection

The following ground(s) of rejection, as presented in the Final office action mailed 6/26/2007, are applicable to the appealed claims:

“ Claim Rejections - 35 USC § 103

3. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

3.1. Claims 15-18, 21, 51-54, 57, 87-90, 93 and 116-119 rejected under 35 U.S.C. 103(a) as being unpatentable over Nishi (US PG-Pub 20020161691) in view of Holden et al. (US Publication 20010032175A1), hereinafter Holden.

Regarding claim 15, Nishi discloses a network-based commerce system including a processor coupled to a memory through a bus (see Fig1, paragraphs 0001-0029 and 0068-0071. The computer 4 performing the center processing includes a processor coupled to a memory through a bus for storing computer programs) and an auction price-setting process executed from the memory by the processor to cause the processor to adjust a reserve price associated with a listing of an item during a network-based auction price-setting process (see at least paragraphs 0088 and 0156-0174.). .

Regarding limitation, “notifying automatically one or more bidders of the adjustment of the reserve price”, it would be implied that Nishi, via its computerized system communicates the adjustment of the reserved price to the bidders enabling them to consider it before making bids. Nishi does not explicitly teach that notification to bidders is carried out automatically via e-mail. However, it was well-known at the time of the applicant’s invention to set automatic triggers for sending automatic notifications via emails to users/consumers, see Holden (at least paragraph 0082 and claim 28). In view of Holden, it would be obvious to one of an ordinary skilled in the art to set automatic triggers for automatically notifying one or more bidders about change in the reserve price because this enables efficient and real time communication of change in the ongoing auction terms which all bidders must know.

Regarding claims 16-18, Nishi fairly suggests any one of the adjustments that is the adjustment of the reserve price includes removing the reserve price (see paragraph 0062 and claim 5 on page 7. If the bids do not equal or exceed the reserve price the reserve price is removed/not considered and the

Art Unit: 3625

highest bidder is designated as the bidder) or lowering or raising the reserve price (see at least paragraphs 0156-0172 which discloses modifying the reserve price based upon the status of bids received and shows an example as how the reserve price is adjusted lower to the highest bid price if none of the bids received are equal or greater than the originally fixed reserve price. Paragraph 0115 suggests that when a plurality of buyers bid higher than the reserve price the auction is continued to next cycle with the new start price, which corresponds to the new reserve price which is raised from its earlier value with the anticipation that higher bidding price can be obtained).

Regarding claim 21, Nishi further suggests that the network-based commerce system of claim 15, wherein the auction price-setting process further causes the processor to lower a proxy bid, of a buyer higher than the adjusted reserve price, to a predetermined amount below the adjusted reserve price (see at least paragraphs 0138-0145 and 0156-0174. If during an auction cycle the highest bid is less than the reserve price within a predefined range the auction process adjusts the reserve price and while doing so the maximum proxy bid/representation bid is also modified to, that is lowered to the highest bid plus a minimum bidding price unit.)

Regarding claims 51-54, 87-90, 116-119, their limitations are closely parallel to the limitations of claims 15-18 and are therefore analyzed and rejected on the basis of same rationale set forth for claims 15-18 above.

Regarding claims 57 and 93, their limitations are closely parallel to the limitations of claim 21 and are therefore analyzed and rejected on the basis of same rationale as set forth for claim 21 above.

3.2. Claims 19-20, 55-56 and 91-92 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nishi/Holden in view of Herschkorn (US Patent 6,691,094 B1).

Regarding claims 19-20, Nishi/Holden teaches all the limitations of claim 15, as analyzed above. Nishi/Holden does disclose that the network-based commerce system of claim 15, wherein the auction price-setting process further causes the processor to automatically notify a seller of the item when a high proxy bid is within a predetermined percentage range of the adjusted reserve price or within a predetermined value range of the reserve price. Herschkorn, in the same field of endeavor of matching sellers and buyers fairly suggest and discloses this limitation (see at least col.5, line 66-col.6, line 4, col.15, lines 56-67, col.24, lines 50-63, that is claims 9-10. Herschkorn teaches that the system/processor determines if the buyer's bid [corresponds to high proxy bid as recited in the claim] does not match with the seller's offer [corresponds to the seller's reserve price as recited in the claim] but is within a predetermined threshold, such as within 1-5 points or \$100,000 both the seller and buyer are notified. In view of Herschkorn, it would be obvious to one of an ordinary skilled in the art that while conducting auctions for large valued items to modify Nishi to incorporate Herschkorn features because when the system determines that the buyer's bids does not match or exceed the seller's reserve price but they are within a predetermined proximity of the seller's reserve price either in points/percentage or value and informs about it to both the seller and buyer then there is a possibility that buyer and seller could negotiate and close the deal.

Regarding claims 55-56 and 91-92, their limitations are closely parallel to the limitations of claims 19-20 and are therefore analyzed and rejected on the basis of same rationale set forth for claims 19-20 above

“

(10) Response to Argument

- (B)** The rejection of claims 15-21, 51-57, 87-93, II6-119 was erroneous because Nishi, whether alone or in combination with Holden or Herschkorn, fails to teach or suggest notification.

Applicant's arguments (see Appeal Brief pages 11-15) have been fully considered but they are not persuasive. Instead of claim 15, a system claim, the applicant has considered claim 87, a method claim, as a representative claim for arguments. The applicant, in his arguments (see Appeal Brief, pages 11-15), seems to have considered Holden as the primary reference and Nishi as the secondary reference, **which is not the case**. The examiner has used Nishi as the primary reference and has used Holden's teachings to overcome a missing limitation to arrive at the claimed limitation.

The applicant argues (see Appeal Brief, pages 11-12) that Holden's teachings are directed to triggering automatic messages including automatic notifications to users during an auction in response to an event, such as notifying users of being granted access to a scheduled auction or notifying winning bidders but these automatic notifications do not include an adjustment of a reserve price and therefore it teaches away from the limitations of claim 87. The applicant then goes on to state (see Appeal Brief Pages 12-15) that Nishi does not teach what Holden lacks, that is automatic notification of a modification of reserve price to one or more bidders. The examiner respectfully disagrees because the applicant is attacking the references individually. In

Art Unit: 3625

response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). In the instant case, the examiner has used Nishi as the primary reference which teaches all the limitations of independent claims 15, 51, 87 including the limitation of adjusting a reserve price associated with a listing of an item during a network based auction [see above paragraph **(9) Grounds of Rejection**]. Regarding limitation, “notifying automatically one or more bidders of the adjustment of the reserve price”, it would be implied that Nishi, via its computerized system communicates the adjustment of the reserved price to the bidders enabling them to consider it before making bids (see at least paragraph 0071 which teaches that any data submitted at the assessor [seller] equipment, that is such as change in reserve price, is sent and shown on the buyer equipment 20). Nishi does not explicitly teach that notification to bidders is carried out automatically. However, it was well-known at the time of the applicant's invention to set automatic triggers for sending automatic notifications via emails to users/consumers, see Holden (at least paragraph 0082 and claim 28). In view of Holden, it would be obvious to one of an ordinary skilled in the art to set automatic triggers for automatically notifying one or more bidders about change in the reserve price because this enables efficient and real time communication of change in the ongoing auction terms, even including a termination of an auction due to change in reserve price and which all bidders should know.

The applicant further argues, (see Appeal Brief, page 16) that "Nishi provides no such motivation because Nishi relates that when a "reserve price is modified, the goods are sold at the bidding prices that the reserve price modification specified" (Nishi, paragraph 72). In other words, Nishi relates a reserve price modification that terminates the auction. Accordingly, no motivation is present to look to Holden for a "real time communication of a change on ongoing auction terms" because Nishi discloses no ongoing auction after a modification of a reserve price. In summary, a person having ordinary skill in the art is not motivated to combine Nishi with Holden. ". The examiner disagrees. First Nishi does not teach not to notify bidders/buyers about reserve price modification. A modification in reserve price can or may result in the termination of an ongoing auction but it does not stop from notifying the bidders/buyers about a change in reserve price. Secondly, in response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., *the auction can not come to an end after a change in the reserve price and in all circumstances it will keep on continuing after the change of a reserve price*) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

In view of the foregoing, rejection of all independent claims 15, 51 and 87 and their dependencies as presented in the final office action is sustainable.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Yogesh C Garg/
Primary Examiner, Art Unit 3625

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